



DEPARTMENT OF PARKS AND RECREATION  
Off-Highway Motor Vehicle Recreation Division  
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## OFF-HIGHWAY MOTOR VEHICLE COMMISSION

West Sacramento, CA

April 2, 2025

**STAFF REPORT:** Off-Highway Vehicle Trust Fund Update

**STAFF:** Desiree Goyette, Staff Services Manager II

**SUBJECT:** Fiscal Year 2024/2025 Budget

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### Fiscal Year 2024-25 Off-Highway Vehicle Trust Fund Summary

Governor Gavin Newsom signed the Budget Act of 2024 on June 26, 2024, for the fiscal year (FY) 2024-25. Presented below is a summary of the spending authority appropriated from the Off-Highway Vehicle Trust Fund (OHVTF) for FY 2024-25:

State Operations	\$	78,469,000.00
Local Assistance	\$	30,000,000.00
Capital Outlay	\$	2,970,000.00
Total	\$	111,439,000.00

#### ***State Operations (Statewide OHV Operations)***

The 2024-25 budget allocates \$78,469,000 for State Operations, encompassing State Vehicular Recreation Areas (SVRAs), Division Headquarters, statewide projects, and administrative expenses. This funding covers labor and operational expenses, including service contracts and supplies necessary for SVRA operations.

While the Department is granted expenditure authority for State Operations from the Off-Highway Vehicle Trust Fund (OHVTF), the OHMVR Division strategically manages these funds to mitigate impacts on the fund balance by intentionally avoiding full expenditure each fiscal year. The Division works in close coordination with Department units and field districts to assess operational needs and allocate resources accordingly. Any unspent State Operations funds authorized from the OHVTF remain within the fund and are retained for future use, thereby supporting the long-term sustainability of the fund.

Additionally, all headquarters units and field districts adhere to the Tracking, Accountability, and Compliance (TAC) procedures implemented in 2017 as part of the departmentwide transformation. These procedures ensure that OHVTF funds are exclusively identified, tracked, and utilized for OHV recreational purposes rather than general park operations. The Division will refine and expand these procedures, focusing on automating expenditure reconciliation and monthly compliance reporting. Efforts to enhance these processes will continue throughout the upcoming fiscal year.

**Local Assistance - Grants and Cooperative Agreements**

The Grants and Cooperative Agreements program is appropriated \$30,000,000, consisting of a \$1,000,000 transfer from the State Parks and Recreation Fund (SB-1) and \$29,000,000 from the OHVTF.

The Grants and Cooperative Agreements program also manages a federal assistance program under the United States Federal Highway Administration – Department of Administration. The Governor’s budget allocates \$9,000,000 in spending authority from the Recreational Trails Fund, of which the OHMVR Division Grants and Local Assistance program administers approximately \$1,605,977 to support motorized recreation.

**Capital Outlay**

No new Capital Outlay projects are scheduled for Fiscal Year 2024-25. However, approximately \$2,970,000 has been reappropriated from previous fiscal years and authorized for on-going projects.

**Off-Highway Vehicle Trust Fund Revenue**

Over the past five years, OHVTF revenue has averaged approximately \$81,254,800 annually. This revenue is derived from various sources, including the Motor Vehicle Fuel Tax (MVFT), State Beach and Park Services fees, Off-Highway Vehicle fees, concession fees, property and lease fees, and loan repayments.

<b>OHVTF Revenue</b>	
FY 2020	\$67,782,000.00
FY 2021	\$81,361,000.00
FY 2022	\$82,182,000.00
FY 2023	\$89,048,000.00
FY 2024*	\$85,901,000.00

*\*Estimated revenue. Final figures are not available until the accounting officially closes the fiscal year.*

In the preceding figures, the Motor Vehicle Fuel Tax (MVFT) revenue is the primary funding source for the Off-Highway Vehicle Trust Fund (OHVTF). Presented below are the net revenues from the MVFT, after accounting for transfers to the General Fund as mandated by Assembly Bill 95 and Revenue and Taxation Code Section 8352.6, for fiscal years 2020 through 2024:

<b>Fiscal Year</b>	<b>Total MVFT</b>
FY 2020-21	\$ 46,913,000.00
FY 2021-22	\$ 58,716,000.00
FY 2022-23	\$ 57,922,073.00
FY 2023-24	\$ 61,900,000.00
FY 2024-25*	\$ 63,004,000.00

*\*Estimated revenue. Final figures are not available until the accounting officially closes the fiscal year.*

The OHMVR Division remains vigilant in monitoring revenue trends. A key priority is to assess and address the potential impact of electric off-highway vehicles on revenue streams and the associated effects on fuel sales.

## OHV Trust Fund Condition Statement

Over the past seven years, expenditures have steadily increased while revenue has remained largely stagnant, with a slight decline observed during fiscal years 2019-20 and 2020-21:

Fiscal Year	2018-19 (PY-5)	2019-20 (PY-4)	2020-21 (PY-3)	2021-22 (PY-2)	2022-23 (PY-1)	2023-24 (PY)	2024-25* (CY)
Adjusted Beginning Balance	\$198,534	\$208,104	\$197,690	\$160,990	\$171,650	\$163,752	\$143,243
Revenues, Transfers, And Other Adjustments	\$84,786	\$75,270	\$67,782	\$81,361	\$82,182	\$89,048	\$85,901
<b>Total Resources</b>	\$283,320	\$283,374	\$265,472	\$242,351	\$253,833	\$252,800	\$229,144
<b>Total Expenditures and Expenditure Adjustments</b>	\$88,276	\$94,082	\$108,746	\$71,482	\$103,331	\$109,557	\$109,879
<b>Fund Balance</b>	<b>\$195,044</b>	<b>\$189,292</b>	<b>\$156,726</b>	<b>\$170,869</b>	<b>\$150,502</b>	<b>\$143,243</b>	<b>\$119,265</b>

*\*Figures presented are estimates. Final figures will be available upon the official closure of the fiscal year accounting process.*

The OHV Trust Fund has experienced a gradual decline in its fund balance due to increasing expenditures. While revenues have remained relatively stable, spending fluctuations and overall expenditure growth must be closely monitored. A proactive approach to revenue enhancement and expenditure management is essential to ensure the long-term financial health of the fund.

The Division is currently evaluating strategies to both increase OHVTF revenues and explore expenditure efficiencies that align operational needs and public recreational access.

### **Commission Action**

For information only